



# NEVADA COPPER

**NEVADA COPPER CORP.**  
Suite 1238 – 200 Granville Street  
Vancouver, British Columbia  
Canada V6C 1S4

## **NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**Notice is hereby given** that the Annual and Special Meeting of Shareholders (the “Meeting”) of Nevada Copper Corp. (the “Corporation”) will be held at the Delta Hotels Vancouver Downtown Suites, 550 West Hastings Street, Vancouver, British Columbia, on Friday, April 28, 2017, at the hour of 10:00 a.m. (PDT), for the following purposes:

1. To receive and consider the consolidated financial statements of the Corporation for the financial year ended December 31, 2016, together with the Auditor’s Report thereon;
2. To fix the number of directors for the ensuing year at five;
3. To elect five directors to serve until the next annual general meeting of shareholders or until their successors are elected or appointed;
4. To appoint Smythe LLP, Chartered Accountants, as auditor of the Corporation and to authorize the directors to fix their remuneration;
5. To consider, and, if thought fit, to pass an ordinary resolution approving all Unallocated Options under the Corporation’s Stock Option Plan, as described in the accompanying Information Circular;
6. To consider and, if thought fit, pass an ordinary resolution to approve the issuance of common shares of the Corporation upon the exercise of the New Conversion Right, as described in the accompanying Information Circular;
7. To consider and, if thought fit, pass an ordinary resolution to approve the shares for debt transaction to settle DSU Liabilities, as described in the accompanying Information Circular; and
8. To transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice of Meeting are an Information Circular, Form of Proxy (or a voting instruction form if you hold common shares through a broker or other intermediary) and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

The Board of Directors has fixed March 24, 2017 as the record date for determining the shareholders who are entitled to vote at the Meeting.

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person please complete, date and execute the accompanying form of proxy and deposit it with Computershare Investor Services, 100 University Avenue, Toronto, Ontario M5J 2Y1, Fax 866-249-7775, email: caregistryinfo@computershare.com, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting, or any adjournment(s) or postponement(s) thereof.

If you are a non-registered Shareholder of the Corporation and received this Notice and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your shares on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**DATED** at Vancouver, British Columbia as of the 29<sup>th</sup> day of March, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Giulio T. Bonifacio*” (signed)

**Giulio T. Bonifacio**  
**President & CEO**

**NEVADA COPPER CORP.**

**1238 – 200 Granville Street**

**Vancouver, B.C. V6C 1S4**

**INFORMATION CIRCULAR**

as at March 29, 2017 (unless otherwise noted)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Nevada Copper Corp. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of its shareholders to be held on April 28, 2017 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Information Circular, references to: “the Corporation”, “we” and “our” refer to Nevada Copper Corp.; “Common Shares” means common shares in the capital of the Corporation; “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name; and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES**

The persons named in the accompanying form of proxy are officers and/or directors of the Corporation. **A shareholder of the Corporation (a “Shareholder”) entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act for and on behalf of the Shareholder at the Meeting other than the persons designated as proxyholders in the accompanying form of proxy. To exercise this right, the Shareholder must either:**

- (a) on the accompanying form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the Shareholder’s nominee in the blank space provided; or**
- (b) complete another proper form of proxy.**

To be valid, a form of proxy must be dated and signed by the Shareholder or by the Shareholder’s attorney authorized in writing. In the case of a corporation, the form of proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed form of proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Investor Services Inc. by mail or fax no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment(s) or postponement(s) thereof.

**REVOCATION OF PROXIES**

A Shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:**
  - (i) signed by the Shareholder, the Shareholder’s attorney authorized in writing or, where the Shareholder is a corporation, a duly authorized officer or attorney of the corporation; and**

- (ii) delivered to Computershare Investor Services Inc. by mail, Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or by fax: Within North America: 1-866-249-7775 Outside North America: 1-416-263-9524, no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment(s) or postponement(s) thereof; or
- (b) in any other manner provided by law.

## **VOTING OF COMMON SHARES AND PROXIES AND EXERCISE OF DISCRETION BY PROXYHOLDERS**

### ***Voting By Show of Hands***

Voting at the Meeting generally will be by a show of hands, with each Shareholder or proxyholder present in person being entitled to one vote.

### ***Voting By Poll***

Voting at the Meeting will be by poll only if a poll is:

- (a) requested by a Shareholder present at the Meeting in person or by proxy;
- (b) directed by the Chairperson; or
- (c) required by law.

On a poll, each Shareholder and each proxyholder will have one vote for each Common Share held or represented by proxy.

### ***Approval of Resolutions***

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast in person or by proxy will be required. Unless otherwise stated, a simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### ***Exercise of Discretion by Proxyholders***

A Shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the form of proxy are certain, the Common Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions given in the form of proxy.**

**If the Shareholder specifies a choice in the form of proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the form of proxy with respect to a matter to be acted upon, the form of proxy confers discretionary authority with respect to that matter upon the proxyholder**

**named in the accompanying form of proxy. It is intended that the proxyholder named by management in the accompanying form of proxy will vote the Common Shares represented by the form of proxy in favour of each matter identified in the form of proxy and for the nominees of the Corporation's board of directors (the "Board") for directors and auditor.**

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Corporation is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

### **SOLICITATION OF PROXIES**

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers and employees of the Corporation without special compensation. The Corporation may reimburse Shareholders' nominees or agents (including brokers holding Common Shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxy from their principals. The costs of solicitation will be borne by the Corporation.

### **VOTING BY NON-REGISTERED (BENEFICIAL) SHAREHOLDERS**

The following information is of significant importance to Beneficial Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited directly by registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares).

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

#### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy or voting instruction form supplied to you by your broker will be similar to the proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and

in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Corporation), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting. Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your Common Shares.

These proxy-related materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). The Corporation has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“VIF”) from the Corporation's Transfer Agent, Computershare Investor Services Inc. (“Computershare”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

The Corporation will not pay for intermediaries to deliver the proxy-related materials to Objecting Beneficial Owners, and Objecting Beneficial Owners will not receive the proxy-related materials unless the intermediary assumes the cost of delivery.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed March 24, 2017 as the record date (the “Record Date”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of March 29, 2017 there were 88,168,125 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at March 29, 2017 are:

Shareholder Name	Number of Common Shares Held <sup>(1)</sup>	Percentage of Issued Common Shares
Pala Investments Ltd.	40,289,141	45.7%

Notes:

<sup>(1)</sup> The above information was supplied to the Corporation by the above Shareholder and from the insider reports available at [www.sedi.ca](http://www.sedi.ca) and [www.sedar.com](http://www.sedar.com).

## PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2016, together with the report of the auditors thereon, will be placed before the Meeting. A copy of the Corporation’s Annual Report may be obtained by a Shareholder upon request without charge from the Corporation at Suite 1238, 200 Granville Street, Vancouver, British Columbia, V6C 1S4. These documents are also available through the Internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

The Board is currently comprised of six directors. Mr. Myckatyn will not be standing for re-election as a Director of the Corporation. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors to be elected be fixed at five.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Corporation, or if no director is then elected, until a successor is elected.

The directors of the Corporation for the ensuing year will be elected at this Meeting.

### **Majority Voting Policy**

On November 5, 2013, the Board adopted a majority voting policy in order to promote enhanced director accountability. The policy provides that voting in respect of each director nominee will be conducted on an individual nominee basis. The policy also provides that each director should be elected by the vote of

a majority of the Common Shares, represented in person or by proxy, at any meeting for the election of directors. The Board will ensure that the number of Common Shares voted “for” or “withheld” for each director nominee is recorded and promptly made public after the meeting. If any nominee for election as director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of votes “withheld” than votes “for” his or her election, the director will promptly tender his or her resignation to the Board following the Meeting, to take effect upon acceptance by the Board. The Nomination and Governance Committee will expeditiously consider the director’s offer to resign and make a recommendation to the Board whether to accept that offer. Within 90 days of the Meeting, the Board will make a final decision concerning the acceptance of the director’s resignation and announce that decision by way of a press release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation.

This policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected. If any director fails to tender his or her resignation as contemplated in the policy, the Board will not re-nominate that director in the future. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders, or call a special meeting of Shareholders to elect a new nominee to fill the vacant position.

### **Nominees**

The following table sets out the names of management’s nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each nominee now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each nominee, directly or indirectly, or over which each nominee exercised control or direction, as at March 29, 2017:

<b>Name, Current Position with the Corporation, Province or State and Country of Residence</b>	<b>Principal Occupation and, if not at Present an Elected Director, Occupation during the Past Five Years<sup>(1)</sup></b>	<b>Period as a Director of the Corporation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Giulio T. Bonifacio <sup>(4)</sup> President, CEO, and Director British Columbia, Canada	President and CEO of the Corporation.	Since August 15, 2006	5,850,000
Michael Brown <sup>(4)</sup> Director Arth, Switzerland	Managing Director of Pala Investments Ltd. an investment company focused on the mining sector.	Since August 8, 2013	Nil <sup>(6)</sup>
Raffaele (Lucio) Genovese <sup>(2)</sup> Director Zug, Switzerland	Chief Executive Officer of NAGE Capital Management.	May 27, 2016	Nil
Stephen Gill <sup>(2)(3)</sup> Director Zug, Switzerland	Portfolio Manager at Pala Investments Ltd., an investment company focused on the mining sector.	Since January 28, 2016	Nil <sup>(6)</sup>
Evgenij Iorich <sup>(2)</sup> Director Zug, Switzerland	Portfolio Manager at Pala Investments Ltd., an investment company focused on the mining sector.	Since January 28, 2016	Nil <sup>(6)</sup>

Notes:

<sup>(1)</sup> The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.



Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

(2) Member, Audit Committee

(3) Member, Compensation Committee

(4) Member, Health, Safety, Environment and Technical Committee

(5) Pala Investments Ltd. holds 40,289,141 Common Shares in the Corporation which represents 45.7% of the Common Shares Issued and Outstanding. Mr. Brown is the Managing Director of Pala Investments Ltd., Mr. Gill is Portfolio Manager of Pala Investments Ltd. and Mr. Iorich is Portfolio Manager of Pala Investments Ltd. See "*Voting Securities and Principal Holders of Voting Securities*".

Shareholders can vote for all of the proposed nominees for directors of the Corporation, vote for some of the proposed nominees and withhold for others, or withhold for all of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Corporation.**

### **Corporate Cease Trade Orders or Bankruptcies**

No proposed director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **Compensation Discussion and Analysis**

In this section, “Named Executive Officer” or “NEO” means:

- (a) the Corporation’s chief executive officer (“CEO”);
- (b) the Corporation’s chief financial officer (“CFO”);
- (c) each of the Corporation’s, including any of its subsidiaries’, three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Mr. Giulio Bonifacio, President and CEO, Mr. Robert McKnight, CFO and Executive Vice President; and Mr. Greg French, Vice President Exploration and Project Development are the only “Named Executive Officers” of the Corporation during the financial year ended December 31, 2016 for the purposes of the following disclosure.

During 2016, the Compensation Committee (the “Committee”) of the Board was composed of Mr. Victor Bradley, Mr. Stephen Gill, and Mr. Paul Matysek, all of whom were independent within the meaning of National Instrument 52-110 Audit Committee (“NI 52-110”) and have direct experience in dealing with compensation matters. The Board is currently considering the recomposition of the Compensation Committee following the resignations of Messrs. Bradley and Matysek as directors of the Corporation.

Mr. Gill holds an MBA from the IE Business School in Madrid. He also holds an MSc from the University of North Carolina and a BSc from the University of Wales. Mr. Gill has been at Pala since 2008, during which time he has been involved in many of Pala’s principal investments covering a range of commodities, as well mining services and consumables sectors. Mr. Gill has also supported many of Pala’s investee companies in defining and implementing strategic initiatives, including the expansion of Dumas Mining’s business through a series of acquisitions, the turn-around of Asian Mineral Resources’ Ban Phuc nickel project, and the evolution of Sierra Rutile’s dry mining business model. Mr. Gill is also involved in the oversight of Pala’s liquid portfolio. Prior to joining Pala, Mr. Gill was at AMEC Plc., an engineering consulting firm, where he advised on a range of natural resources transactions, including the initial public offering of the Kazakhstan state oil company and CITIC Resources’ acquisition of the Karazhanbas oilfield. Mr. Gill also acted as an advisor across a range of private equity transactions, including investments in businesses spanning mining, metals processing, and mining consumables manufacturing industries.

The Board is of the view that the members of the Committee collectively have the knowledge, skills, experience and background to make decisions on the suitability of the Corporation's compensation policies and practices.

The function of the Committee generally is to assist the Board in carrying out its responsibilities relating to executive and director compensation. In this regard, the Committee makes recommendations to the Board with respect to the compensation (including salary, bonus and stock options) and benefits of the CEO and other executive officers of the Corporation; reviews and approves the terms of the employment agreements of the CEO and other executive officers of the Corporation and researches and identifies trends in employment benefits and compensation structures and reports its findings to the Board. The Committee also reviews periodically the compensation of the directors for service on the Board and Board committees and makes recommendations to the Board in respect of same.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the executives of the Corporation, although the Committee guides it in this role.

The Board is responsible, in participation with management, for reviewing and identifying what are perceived to be the principal risks to the Corporation. These risks include, but are not limited to, those arising from the Corporation's compensation policies and practices, such as the risk that an executive officer or other employee is incentivized to take inappropriate or excessive risks, or that such policies and practices give rise to any other risks that are reasonably likely to have a material adverse effect on the Corporation. The Board undertakes this review with management on at least an annual basis, and ensures that the Committee adequately considers risks arising from the Corporation's compensation policies and practices when determining its recommendations to the Board regarding the compensation of executive officers. The Corporation uses the following practices to discourage or mitigate inappropriate or excessive risk-taking by directors and executive officers:

- the structure of incentive compensation is designed not to focus on a single metric, which in the Corporation's view could be distortive, but instead a combination of both corporate and personal objectives;
- the Corporation has an appropriate compensation mix, including fixed and performance based compensation with short and longer term performance conditions and multiple forms of compensation; and
- the Board has discretion in assessing the annual incentive awards paid to executive officers of the Corporation based on both individual and corporate performance.

No risks have been identified as arising from the Corporation's compensation policies and practices which are considered reasonably likely to have a material adverse effect on the Corporation.

In order to further mitigate the potential for NEOs and directors taking inappropriate or excessive risks relating to compensation, the Board has passed a resolution which prohibits directors and NEOs from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation held, directly or indirectly, by a director or NEOs.

As at December 31, 2016, Messrs. Bonifacio, McKnight and French worked on the Corporation's activities on a full-time basis.

## Philosophy and Objectives

The compensation program for the executive officers of the Corporation is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning the interests of the executive officers with those of the Shareholders.

In compensating its executive officers, the Corporation has employed a combination of base salary, bonus compensation and equity participation through its stock option plan.

## Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Corporation operates is a first step to attracting and retaining talented, qualified and effective executives. A number of the Corporation's directors serve on the boards of directors of similar sized companies in the resource sector. Determinations of salary are based on the Board's knowledge of salaries paid to executives of these similar sized companies and information gleaned from documents available publicly on SEDAR. As well, in 2010 and April 2012, the Corporation retained executive compensation specialist Lane Caputo Compensation Inc. ("Lane Caputo") to provide a review of compensation arrangements for its executives and Board. In 2013, Lane Caputo provided an update to their 2012 compensation report. The reports benchmarked the compensation competitiveness of the Corporation's executives against a peer group of mining companies at similar stages of development as the Corporation. The companies included in the comparison were Augusta Resource Corp., Copper Mountain Mining Corp., Rubicon Minerals Corp., and Western Copper Corp.

## Executive Compensation Related Fees

The following table sets out the Executive Compensation Related Fees paid to Lane Caputo for services related to determining compensation of the Corporation's directors and executive officers during the last four recently completed financial years:

<b>Fees Paid to Lane Caputo</b>	
For the year ended December 31, 2016	Nil
For the year ended December 31, 2015	Nil
For the year ended December 31, 2014	Nil
For the six month financial year ended December 31, 2013 <sup>(1)</sup>	\$23,500
For the year ended June 30, 2013	Nil

Notes:

<sup>(1)</sup> The Corporation changed its financial year end from June 30 to December 31 effective December 31, 2013, resulting in a fiscal year of six months ending on December 31, 2013.

In addition to peer group data, compensation data from mining industry compensation surveys were used as a cross-check to the data from the peer group and to benchmark those positions that are not typically disclosed in the peer group's disclosure documents.

### Bonus Incentive Compensation

The payment of bonus incentive compensation is reviewed by the Committee and recommendations are put forth to the Board for their review and discretion. Generally, the Board will consider the payment of executive bonus compensation dependent upon the performance of the individual executive, sufficient cash resources being available for the granting of bonuses and, where applicable, the executive meeting the strategic objectives and milestones established by the Committee and Board. Such key performance indicators include, but are not limited to, the following: the completion of Feasibility Studies, reserve or resource additions, construction and engineering milestones, budget achievement, identifying corporate development initiatives, improving corporate liquidity, and the Corporation's share price. No bonuses were paid for the year ended December 31, 2016. See "*Executive Compensation – Summary Compensation Table*".

### Equity Participation

The Board believes that encouraging the Corporation's executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Corporation's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Senior management and the Committee put forth their recommendations for stock option grants to the Board. The amounts and terms of options granted are determined by the Board.

### Actions, Decisions or Policies Made After December 31, 2016

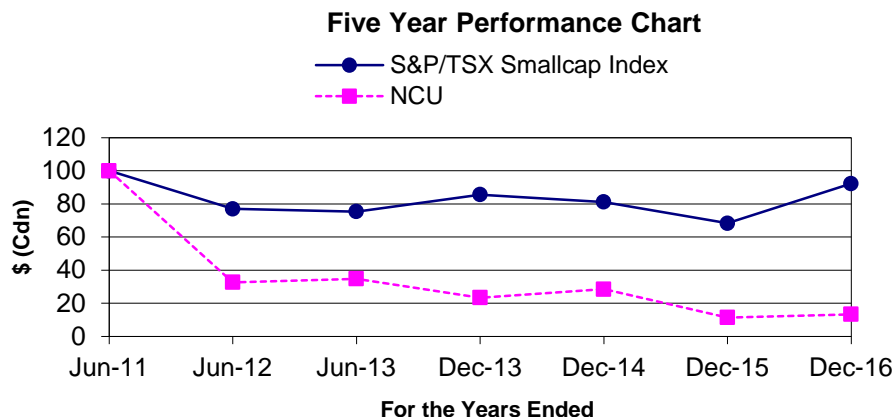
Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

There were no actions, decisions or policies made since December 31, 2016 that would affect a reader's understanding of NEO compensation for the Corporation's most recently completed financial year.

### **Performance Graph**

The Common Shares of the Corporation were listed on the TSX Venture Exchange on August 17, 2006 under the Corporation's former name Astron Resources Corporation (symbol "ARC"). The Corporation changed its name to Nevada Copper Corp. (symbol "NCU") on November 3, 2006. On August 16, 2007, the Corporation's Common Shares were de-listed from the TSX Venture Exchange and concurrently listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "NCU".

The following five year performance graph compares the total cumulative shareholder return for \$100 invested in Common Shares of the Corporation on June 30, 2011, with the cumulative total return of the S&P/TSX Small Cap Total Return Index for the period from June 30, 2011 to June 30, 2013, the six month financial year ended December 31, 2013 and the financial years ended December 31, 2014 to December 31, 2016. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



The performance graph shows a general correlation between the performance of the Corporation's Common Shares and the performance of the S&P/TSX Small Cap Index for the years June, 2011 through December, 2016. In January 2012, Mr. Bonifacio's compensation was increased in recognition of his efforts to present a completed feasibility study. Mr. Bonifacio, Mr. McKnight and Mr. French were paid bonuses in 2012 for the milestones achieved in the financial year ended June 30, 2011. For the year ended June 30, 2013, Mr. Bonifacio, Mr. McKnight and Mr. French were paid bonuses for milestones achieved in 2012. During the six month financial year ended December 31, 2013, Mr. Bonifacio, Mr. McKnight and Mr. French were granted bonuses for the achievement of project and corporate milestones. Such milestones were predetermined by the Committee. No salaries were increased and no bonuses were paid for the years ended December 31, 2014, December 31, 2015 and December 31, 2016.

### Share-Based and Option-Based Awards

The Corporation has in place a cash-settled-only deferred share unit plan for non-executive directors. Executive officers do not participate in the deferred share unit plan (see "*Director Compensation - Outstanding Share-based Awards and Option-based Awards*" for further details).

The Corporation has in place a cash-settled-only deferred compensation unit plan for employees. Non-executive directors do not participate in the deferred compensation plan (see "*NEO - Outstanding Share-based Awards and Option-based Awards*" for further details).

The Corporation has in place a stock option plan which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation, thereby encouraging their continuing association with the Corporation. Management and the Committee propose stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The stock option plan is administered by the directors of the Corporation and provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

### Summary Compensation Table

The compensation paid to the NEOs during the Corporation's financial years ended December 31, 2016, December 31, 2015 and December 31, 2014 are as set out below and is expressed in Canadian dollars unless otherwise noted:

Name and Principal Position	Year	Salary (\$)	Share-Based Award (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Giulio Bonifacio, President & CEO	2016	271,875	Nil	506,824 <sup>(4)</sup>	Nil	Nil	Nil	Nil	778,699
	2015	362,500	Nil	Nil	Nil	Nil	Nil	Nil	362,500
	2014	362,500	Nil	122,390 <sup>(2)</sup>	Nil	Nil	Nil	Nil	484,890
Robert McKnight Executive Vice President & CFO	2016	189,375	Nil	210,843 <sup>(4)</sup>	Nil	Nil	Nil	Nil	400,218
	2015	252,500	Nil	Nil	Nil	Nil	Nil	Nil	252,500
	2014	252,500	Nil	39,061 <sup>(2)</sup>	Nil	Nil	Nil	Nil	291,561
Greg French Vice President, Exploration and Project Development	2016	US\$166,875	Nil	US\$99,340 <sup>(4)(5)</sup>	Nil	Nil	Nil	Nil	US\$266,215
	2015	US\$222,500	Nil	Nil	Nil	Nil	Nil	Nil	US\$222,500
	2014	US\$222,500	Nil	US\$33,671 <sup>(2)(3)</sup>	Nil	Nil	Nil	Nil	US\$256,171

Notes:

- (1) For the market value of the unexercised options as at the year ended December 31, 2016, please refer to the Option-Based Awards table below.
- (2) The fair value of stock options has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 1.60% in 2014, no expected dividend yield, stock price volatility of 49.4% and expected life of five years. The weighted average fair value of options granted during the twelve months ended December 31, 2014 was \$2.00.
- (3) The option-based awards amount for Mr. French for the year ended December 31, 2014 was CDN\$39,061. The US exchange rate used was 1.16009.
- (4) The fair value of stock options at August 10, 2016 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 0.61% in 2016, no expected dividend yield, stock price volatility of 60.6% and expected life of five years. The weighted average fair value of options granted was \$0.34. The fair value of stock options at November 9, 2016 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 0.55% in 2016, no expected dividend yield, stock price volatility of 60.8% and expected life of five years. The weighted average fair value of options granted was \$0.31.
- (5) The option-based awards amount for Mr. French for the year ended December 31, 2016 was CDN\$133,378. The US exchange rate used was 1.34264.

Outstanding Share-based Awards and Option-based Awards

In 2015 as part of the Corporation's cost cutting initiatives, employees of the Corporation agreed to a reduction in salary. In order to retain the employees and provide them with the opportunity to participate in the long term success of the Corporation, the Board adopted a cash-settled-only deferred compensation unit plan on November 10, 2015 (the "DCU Plan"). The DCU Plan is administered by the Committee and provides that the Board may designate, from time to time at its sole discretion, the employees of the Corporation who are entitled to participate in the DCU Plan (the "Participants"). The deferred compensation units issued to a Participant under the DCU Plan (each, a "DCU") vest on the date of settlement and are paid out in a lump sum cash payment to the Participant on the settlement date in an amount equal to the trading price of the Common Shares on the TSX for the day immediately preceding the payout date. Whenever dividends are paid on the Common Shares, additional DCUs will be automatically granted in accordance with the DCU Plan to each Participant who holds DCUs on the

record date for such dividend. The rights and interests of a Participant in respect of the DCU Plan are not transferable or assignable, other than by will or the laws of succession. In the case of an adjustment to the issued Common Shares, the Corporation will make an adjustment to the number of DCUs or the kind of securities that are subject to the issued DCUs.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2016, for each NEO:

Name	Option-Based Awards				Share-Based Awards		
	Number Of Securities Underlying Unexercised Options (#)	Option Exercise Price <sup>(2)(3)</sup> (\$)	Option Expiration Date <sup>(2)(3)</sup>	Value Of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(4)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Giulio Bonifacio, President & CEO	275,000	1.00	July 2, 2018	Nil	Nil	69,591 <sup>(5)</sup>	Nil
	200,000	1.95	November 12, 2019	Nil		153,587 <sup>(6)</sup>	
	275,000	0.69	August 10, 2021	22,000			
	1,350,000	0.69	November 9, 2021	108,000			
Robert McKnight, Executive Vice President & CFO	50,000	1.95	November 12, 2019	Nil	Nil	48,473 <sup>(5)</sup>	Nil
	125,000	0.69	August 10, 2021	10,000		106,329 <sup>(6)</sup>	
	550,000	0.69	November 9, 2021	44,000			
Greg French Vice President, Exploration and Project Development	140,000	1.00	July 2, 2018	Nil	Nil	56,383 <sup>(5)</sup>	Nil
	30,000	1.96	November 12, 2019	Nil		70,886 <sup>(6)</sup>	
	50,000	1.95	November 12, 2019	Nil			
	100,000	0.69	August 10, 2021	8,000			
	325,000	0.69	November 9, 2021	26,000			

Notes:

- (1) In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option exercise price. The closing market price of the Common Shares on the TSX as at December 30, 2016 was \$0.77.
- (2) In November 2014, the Board approved a reduction in the stock option exercise price by 40% for all stock options priced from \$3.25 to \$5.37 while also amending the term of option to five years from the date of the re-pricing. The reduced exercise price reflected a premium of between 33% and 119% of the then market price of \$1.47 as at November 12, 2014. Messrs. Bonifacio, McKnight and French's options to be repriced were subject to disinterested Shareholder approval which was received on June 26, 2015 along with TSX approval.
- (3) On August 10, 2016, the Board approved the cancellation of all stock options with an exercise price of \$2.00 and above.
- (4) The values of the DCUs were calculated by multiplying the prorated number of DCUs not yet paid out by the closing price of the Common Shares on the TSX as of December 31, 2016, being \$0.77.
- (5) DCUs granted on January 1, 2016 vest on January 1, 2017. If the employee terminates prior to vesting, the amount will be prorated based on their termination date.
- (6) DCUs granted on August 10, 2016 vest on March 31, 2017. If the employee terminates prior to vesting, the amount will be prorated based on their termination date.

#### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the financial year ended December 31, 2016, for each NEO:



<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards – Value vested during the year</b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b> <b>(\$)</b>
Giulio Bonifacio President & CEO	Nil	Nil	Nil
Robert McKnight Executive Vice President & CFO	Nil	Nil	Nil
Greg French Vice President, Exploration and Project Development	Nil	Nil	Nil

See “*Securities Authorized Under Equity Compensation Plans*” for further information on the Corporation’s stock option plan.

### **Termination and Change of Control Benefits**

The Corporation entered into an employment agreement with Giulio Bonifacio on May 1, 2007, as amended on January 21, 2008, January 14, 2010, May 8, 2012 and August 13, 2013. The following summary is qualified in its entirety by reference to the full text of such agreement. The Corporation agreed to pay Mr. Bonifacio a base annual salary of CDN\$362,500 plus benefits and bonus effective as of January 1, 2013. Each year during the term of the agreement, the Board shall determine a bonus amount that is considered appropriate, if any, the amount of such bonus to be based on achievements necessary for the growth and development of the Corporation. In the event of termination without cause, or any change in the effective control of the Corporation that occurs, the Corporation must pay Mr. Bonifacio an amount equal to three (3) years’ salary.

The Corporation entered into an employment agreement with Robert McKnight on October 13, 2010, as amended on May 8, 2012 and August 13, 2013. The following summary of which is qualified in its entirety by reference to the full text of such agreement. The Corporation agreed to pay Mr. McKnight a base annual salary of CDN\$252,500 effective as of January 1, 2013. Each year during the term of the agreement, the Board shall determine a bonus amount that is considered appropriate, if any, the amount of such bonus to be based on achievements necessary for the growth and development of the Corporation. In the event of termination without cause, or any change in the effective control of the Corporation that occurs, the Corporation must pay Mr. McKnight an amount equal to eighteen (18) months’ salary.

The Corporation entered into an employment agreement with Greg French on October 13, 2010, as amended on May 8, 2012 and August 13, 2013. The following summary of which is qualified in its entirety by reference to the full text of such agreement. The Corporation agreed to pay Mr. French a base annual salary of US\$222,500 effective as of October 13, 2010. Each year during the term of the agreement, the Board shall determine a bonus amount that is considered appropriate, if any, the amount of such bonus to be based on achievements necessary for the growth and development of the Corporation. In the event of termination without cause, or any change in the effective control of the Corporation that occurs, the Corporation must pay Mr. French an amount equal to twelve (12) months’ salary.

The estimated incremental payments from the Corporation to Mr. Bonifacio, Mr. McKnight and Mr. French, respectively on (i) termination without cause or (ii) termination without cause or resignation with cause within 12 months following a change of control, assuming the triggering event occurred on December 31, 2016, are as follows:

NEO		Termination Without Cause	Change of Control
Giulio Bonifacio	Salary	\$1,087,500	\$1,087,500
	Bonus	Nil	Nil
	Options	Nil	Nil
Robert McKnight	Salary	\$378,750	\$378,750
	Bonus	Nil	Nil
	Options	Nil	Nil
Greg French	Salary	US\$222,500	US\$222,500
	Bonus	Nil	Nil
	Options	Nil	Nil

On November 12, 2013, Pala acquired 3,492,860 Common Shares representing approximately 4.34% of the then issued and outstanding common shares of the Corporation. The Common Shares were purchased by Pala by way of a private transaction. Following the acquisition of the Common Shares by Pala on November 12, 2013, Pala owned and controlled, directly and indirectly, an aggregate of 40,289,141 common shares of the Corporation, representing approximately 50.05% of the then issued and outstanding Common Shares. This acquisition by Pala effected a change of control as outlined in Messrs. Bonifacio, McKnight and French's employment agreements. Pursuant to Messrs. Bonifacio, McKnight and French's employment agreements, Messrs. Bonifacio, McKnight and French had one year from the date of such change of control to elect whether or not they wished to terminate their employment and receive a change of control payment. Neither of Mr. Bonifacio, Mr. McKnight nor Mr. French elected to terminate their employment agreement.

### Director Compensation

Independent directors are paid \$30,000 per year. The Audit Committee Chairman is paid an additional \$10,000 per year. The directors are paid \$1,500 for each meeting attended. Executive Officers do not receive additional compensation for serving as directors. As of July 1, 2015, the directors agreed to receive deferred share units from the Corporation in lieu of cash payment of directors' fees commencing July 1, 2015 pursuant to the terms of the Deferred Share Unit Plan (see *Outstanding Share-based Awards and Option-based Awards* for further details).

The following table discloses the compensation provided to the directors, other than directors who are NEOs, for the Corporation's financial year ended December 31, 2016:

Name	Fees Earned (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards <sup>(9)(10)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
James Askew <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Barton <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Victor Bradley <sup>(4)</sup>	Nil	195,678	61,386	Nil	Nil	Nil	257,064
Michael Brown	Nil	98,892	38,366	Nil	Nil	Nil	137,258
Philip Clegg <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Dumas <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen Gill	Nil	98,892	Nil	Nil	Nil	Nil	98,892
Raffaele (Lucio) Genovese	Nil	105,105	52,409	Nil	Nil	Nil	157,514
Joseph Giuffre <sup>(7)</sup>	Nil	164,892	89,009	Nil	Nil	Nil	253,901
Evgenij Iorich	Nil	122,592	52,409	Nil	Nil	Nil	175,001
Paul Matysek <sup>(8)</sup>	Nil	164,892	89,009	Nil	Nil	Nil	253,901
Bill Myckatyn	Nil	105,105	52,409	Nil	Nil	Nil	157,514

Notes:

- (1) Deferred Share Units ("DSUs") were granted to the non-executive Directors in 2016. The DSUs vest immediately and do not expire but are paid out upon a Director's resignation from the Board. The fair value of the DSUs was calculated by multiplying the number of DSUs granted by the closing price of the Common Shares on the TSX on the date of grant (see *Outstanding Share-based Awards and Option-based Awards* for further details).
- (2) Mr. Askew resigned as Director of the Corporation on May 26, 2016.
- (3) Mr. Barton resigned as a Director of the Corporation on January 28, 2016.
- (4) Mr. Bradley resigned as Director of the Corporation on February 24, 2017.
- (5) Mr. Clegg resigned as a Director of the Corporation on January 28, 2016.
- (6) Mr. Dumas resigned as a Director of the Corporation on May 26, 2016.
- (7) Mr. Giuffre resigned as a Director of the Corporation on February 24, 2017.
- (8) Mr. Matysek resigned as a Director of the Corporation on February 24, 2017.
- (9) For the market value of the unexercised options as at the year ended December 31, 2016, please refer to the Option-Based Awards table below.
- (10) The fair value of stock options at August 10, 2016 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 0.61% in 2016, no expected dividend yield, stock price volatility of 60.6% and expected life of five years. The weighted average fair value of options granted was \$0.34. The fair value of Strategic Review Committee (SRC) stock options at August 10, 2016 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 0.51% in 2016, no expected dividend yield, stock price volatility of 60.7% and expected life of eighteen months. The weighted average fair value of options granted was \$0.19. The fair value of stock options at November 9, 2016 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 0.55% in 2016, no expected dividend yield, stock price volatility of 60.8% and expected life of five years. The weighted average fair value of options granted was \$0.31. The fair value of Strategic Review Committee (SRC) stock options at November 9, 2016 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk free interest rate of 0.46% in 2016, no expected dividend yield, stock price volatility of 75.9% and expected life of eighteen months. The weighted average fair value of options granted was \$0.23.

### Outstanding Share-based Awards and Option-based Awards

The Board adopted a cash-settled-only deferred share unit plan on September 19, 2013, and subsequently amended and replaced on March 25, 2014 and February 10, 2017 (the “DSU Plan”), for the purpose of providing non-executive directors of the Corporation with the opportunity to participate in the long term success of the Corporation and to promote a greater alignment of interests between the directors of the Corporation and the Shareholders. The DSU Plan is administered by the Committee and provides that the Board may designate, from time to time at its sole discretion, the directors of the Corporation who are entitled to participate in the DSU Plan (the “Participants”). The deferred share units issued to a Participant under the DSU Plan (each, a “DSU”) vest on the date of grant and, prior to February 10, 2017 were paid out in a lump sum cash payment to the Participant following termination of board service in an amount equal to the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the payout date, which is 120 days after the Participant ceases to be a director of the Corporation. Subsequent to the February 10, 2017 amendment, DSUs are paid out the day following the day a Participant ceases to be a director of the Corporation. Whenever dividends are paid on the Common Shares, additional DSUs will be automatically granted in accordance with the DSU Plan to each Participant who holds DSUs on the record date for such dividend. The rights and interests of a Participant in respect of the DSU Plan are not transferable or assignable, other than by will or the laws of succession. In the case of an adjustment to the issued Common Shares, the Corporation will make an adjustment to the number of DSUs or the kind of securities that are subject to the issued DSUs. The Corporation no longer grants directors stock option awards.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2016, for each director, other than directors who are NEOs:

Name	Option-Based Awards				Share-Based Awards		
	Number Of Securities Underlying Unexercised Options <sup>(12)</sup> (#)	Option Exercise Price <sup>(2)</sup> (\$)	Option Expiration Date <sup>(2)</sup>	Value Of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(3)(4)</sup>
James Askew <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	28,180
Michael Barton <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	49,260
Victor Bradley <sup>(7)</sup>	50,000 200,000	1.95 0.69	November 12, 2019 November 9, 2021	Nil 16,000	Nil	Nil	316,661
Michael Brown	125,000	0.69	November 9, 2021	10,000	Nil	Nil	202,103
Philip Clegg <sup>(8)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	49,260
Daniel Dumas <sup>(9)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	65,140
Stephen Gill	Nil	Nil	Nil	Nil	Nil	Nil	112,536
Raffaele (Lucio) Genovese	125,000 125,000	0.69 0.62	February 10, 2018 May 9, 2018	10,000 18,750	Nil	Nil	119,389
Joseph Giuffre <sup>(10)</sup>	30,000 70,000 25,000 100,000	1.00 0.75 1.96 1.95	July 2, 2018 November 13, 2018 November 12, 2019 November 12, 2019	Nil 1,400 Nil Nil	Nil	Nil	279,103

Name	Option-Based Awards				Share-Based Awards		
	Number Of Securities Underlying Unexercised Options <sup>(12)</sup> (#)	Option Exercise Price <sup>(2)</sup> (\$)	Option Expiration Date <sup>(2)</sup>	Value Of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(3)(4)</sup>
	290,000	0.69	November 9, 2021	23,200			
Evgenij Iorich	125,000	0.69	February 10, 2018	10,000	Nil	Nil	139,486
	125,000	0.62	May 9, 2018	18,750			
Paul Matysek <sup>(11)</sup>	50,000	1.00	July 2, 2018	Nil	Nil	Nil	279,103
	70,000	0.75	November 13, 2018	1,400			
	90,000	1.96	November 12, 2019	Nil			
	50,000	1.95	November 12, 2019	Nil			
	290,000	0.69	November 9, 2021	23,200			
Bill Myckatyn	125,000	0.69	February 10, 2018	10,000	Nil	Nil	119,389
	125,000	0.62	May 9, 2018	18,750			

Notes:

- (1) In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option exercise price. The closing market price of the Common Shares on the TSX as at December 31, 2016 was \$0.77.
- (2) In November 2014, the Board approved a reduction in the stock option exercise price by 40% for all stock options priced from \$3.25 to \$5.37 while also amending the term of option to five years from the date of the re-pricing. The reduced exercise price reflected a premium of between 33% and 119% of the then market price of \$1.47 as at November 12, 2014. Messrs. Bradley, Giuffre and Matysek's options to be repriced were subject to disinterested Shareholder approval which was received on June 26, 2015 along with TSX approval.
- (3) The values of the DSUs were calculated by multiplying the number of DSUs not yet paid out from the Director's account by the closing price of the Common Shares on the TSX as of December 31, 2016, being \$0.77.
- (4) The payout value of DSUs not paid out or distributed for Directors who have resigned is the amount based on the settlement date.
- (5) Mr. Askew resigned as Director of the Corporation on May 26, 2016.
- (6) Mr. Barton resigned as a Director of the Corporation on January 28, 2016.
- (7) Mr. Bradley resigned as Director of the Corporation on February 24, 2017.
- (8) Mr. Clegg resigned as a Director of the Corporation on January 28, 2016.
- (9) Mr. Dumas resigned as a Director of the Corporation on May 26, 2016.
- (10) Mr. Giuffre resigned as a Director of the Corporation on February 24, 2017.
- (11) Mr. Matysek resigned as a Director of the Corporation on February 24, 2017.
- (12) On August 10, 2016, the Board approved the cancellation of all stock options with an exercise price of \$2.00 and above.

#### Incentive Plan Awards – Value Vested or Earned During the Year

Directors are granted DSUs which replace stock option grants as a component of their compensation package. The DSUs vest on the date of grant. The DSUs pay out in cash based on the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the payout date. As at December 31, 2016 the payout date was 120 days after the Participant ceases to be a director of the Corporation. On February 10, 2017 the DSU plan was amended and the payout date is the day following the date a Participant ceases to be a director of the Corporation. The following table sets out the value vested or earned under incentive plans during the financial year ended December 31, 2016, for each director other than directors who are NEOs:

Name	Option-Based Awards – Value Vested During The Year (\$)	Share-Based Awards – Value Vested During The Year <sup>(8)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During The Year (\$)
James Askew <sup>(1)</sup>	Nil	Nil	Nil
Michael Barton <sup>(2)</sup>	Nil	Nil	Nil
Victor Bradley <sup>(3)</sup>	Nil	195,678	Nil
Michael Brown	Nil	98,892	Nil
Philip Clegg <sup>(4)</sup>	Nil	Nil	Nil
Daniel Dumas <sup>(5)</sup>	Nil	Nil	Nil
Raffaele (Lucio) Genovese	Nil	105,105	Nil
Stephen Gill	Nil	98,892	Nil
Joseph Giuffre <sup>(6)</sup>	Nil	164,892	Nil
Evgenij Iorich	Nil	122,592	Nil
Paul Matysek <sup>(7)</sup>	Nil	164,892	Nil
Bill Myckatyn	Nil	105,105	Nil

Notes:

- (1) Mr. Askew resigned as Director of the Corporation on May 26, 2016.
- (2) Mr. Barton resigned as a Director of the Corporation on January 28, 2016.
- (3) Mr. Bradley resigned as Director of the Corporation on February 24, 2017.
- (4) Mr. Clegg resigned as a Director of the Corporation on January 28, 2016.
- (5) Mr. Dumas resigned as a Director of the Corporation on May 26, 2016.
- (6) Mr. Giuffre resigned as a Director of the Corporation on February 24, 2017.
- (7) Mr. Matysek resigned as a Director of the Corporation on February 24, 2017.
- (8) DSUs were granted to the non-executive Directors in 2016. The DSUs vest immediately and do not expire but are paid out upon a Director's resignation from the Board. The value of DSUs that vested during the year was calculated by multiplying the number of DSUs granted by the closing price of the Common Shares on the TSX on the date of grant (see *Outstanding Share-based Awards and Option-based Awards* for further details).

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

Other than the DSU Plan and the DCU Plan, the only equity compensation plan which the Corporation has in place is the stock option plan (the "Plan") which was approved by Shareholders on December 16, 2013. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the directors of the Corporation. As at the date of this Information Circular, the Plan provides the Corporation with the ability to grant stock options to purchase up to 8,816,812 Common Shares (10% of shares currently issued and outstanding). As at the date of this Information Circular, the Corporation has granted stock options to purchase a total of 5,953,500 Common Shares pursuant to the Plan representing 6.7% of the shares issued and outstanding. The following is a summary of the terms of the Plan:

1. Any director, officer, employee (whether part-time or full-time) or consultant of the Corporation or any of its subsidiaries (each being an "Eligible Person") is eligible to receive stock options under the Plan.
2. The number of shares available for purchase pursuant to stock options granted under the Plan will not exceed 10% of the number of Common Shares which are issued and outstanding (the "Outstanding Issue") on the particular date of grant.
3. In accordance with the Plan, the Board may, at any time, without further approval by the Shareholders of the Corporation, amend the Plan or any stock option granted thereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (a) amend typographical, clerical and grammatical errors;
  - (b) reflect changes to applicable securities laws;
  - (c) include the addition of a cashless exercise feature, payable in cash or securities;
  - (d) ensure that the stock options granted under the Plan will comply with any provisions respecting the income tax and other laws in force in any country or jurisdiction of which an Eligible Person to whom a stock option has been granted may from time to time be resident or a citizen;
  - (e) reduce the exercise price or extend the term of a stock option for an optionee who is not an insider;
  - (f) shorten the term of options;
  - (g) cancel options; and
  - (h) terminate the Plan.
4. The exercise price of each stock option shall be not less than the volume weighted average trading price of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded on the TSX for the five trading days immediately preceding the date of grant.
  5. The stock options are non-assignable and may be exercised for a period not to exceed 5 years, such period and any vesting schedule to be determined by the Board. Current options granted prior to August 13, 2013 have a remaining term of more than five years.
  6. Stock options held by an optionee that ceases to be an Eligible Person for any reason other than death, will cease to be exercisable at 4:30 p.m. (Vancouver time) on or before the earlier of the expiry date of the stock options and the termination date of such optionee. If any portion of a stock option is not vested by such date, that portion of the stock option may not be exercised by the optionee.
  7. If an optionee dies while an Eligible Person, the personal representative of the optionee may exercise the optionee's stock options on or before the earlier of the expiry date or twelve months after the date of the optionee's death, but only to the extent the stock options were by their terms exercisable on the date of death.
  8. The number of Common Shares subject to stock options granted to any one optionee shall be determined by the Board subject to: (a) the number of Common Shares issuable to insiders of the Corporation, at any time, under all share compensation arrangements, not exceeding 10% of the Outstanding Issue; and (b) the aggregate number of Common Shares issued to insiders of the Corporation, pursuant to the exercise of stock options granted under the Plan and all other share compensation arrangements, in any 12 month period, not exceeding 10% of the Outstanding Issue.
  9. The Plan contains adjustment provisions in the event of the subdivision or consolidation of the shares of the Corporation, or in the event that the Corporation is re-organized, amalgamated or merged with or consolidated into another corporation or in the event there is a change in control of the Corporation.
  10. In the event of a takeover bid for the Corporation, including a corporate combination, the Plan provides, inter alia, that notwithstanding any vesting restriction that would otherwise apply, all outstanding stock options may be exercised in whole or in part by the optionee so as to permit the optionee to tender the shares received upon such exercise pursuant to the takeover bid.

11. There is no financial assistance available to optionees under the Plan.
12. Any amendment under the Plan which requires shareholder approval pursuant to the policies of the TSX will be subject to the receipt of shareholder approval in accordance with the policies of the TSX.
13. The expiry date of outstanding stock options held by optionees which may expire during a restricted trading period imposed by the Corporation in accordance with applicable securities laws (a “Blackout Period”), will be extended for a period of 10 business days commencing on the first business day after the expiry date of the Blackout Period to provide such optionees with an extension to the right to exercise such stock options.

The following table sets out equity compensation plan information as at the financial year ended December 31, 2016:

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – on December 16, 2013 (the Plan)	7,618,500	\$0.89	1,198,312
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>7,618,500</b>		1,198,312

Notes:

<sup>(1)</sup> Based on 10% of the issued and outstanding Common Shares of the Corporation as at December 31, 2016 less the Common Shares from Column (a).

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the commencement of the financial year ended December 31, 2016 or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this Information Circular, since the commencement of the Corporation’s financial year ended December 31, 2016, no informed person (including a director, officer or holder of 10% or more of the Common Shares) of the Corporation, any proposed director of the Corporation or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect in any transaction or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.



On February 24, 2017 the Corporation and Pala entered into a third amended and restated loan agreement in respect of the convertible loan facility between the Corporation and Pala. For more information, see “*Particulars of Matters to be Acted Upon - Approval of Convertible Loan Facility Amendment*”.

## **APPOINTMENT OF AUDITORS**

Smythe LLP, Chartered Professional Accountants (“Smythe”), will be nominated at the Meeting for re-appointment as auditor of the Corporation at a remuneration to be fixed by the directors.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

Information concerning the Corporation’s Audit Committee is set out under the heading “Audit Committee Information” in the Corporation’s Annual Information Form (“AIF”) dated March 29, 2017. The AIF may be obtained from SEDAR under the Corporation’s name at [www.sedar.com](http://www.sedar.com).

## **CORPORATE GOVERNANCE**

### **General**

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) and National Policy 58-201 Corporate Governance Guidelines (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “CSA”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure required by the Corporation of its corporate governance practices. This section sets out the Corporation’s approach to corporate governance and addresses the Corporation’s compliance with NI 58-101.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board currently consists of six directors: Giulio Bonifacio, Michael Brown, Raffaele (Lucio) Genovese, Stephen Gill, Evgenij Iorich and Bill Myckatyn. The independent members of the Board are Messrs. Brown, Genovese, Gill, Iorich and Myckatyn. Mr. Bonifacio is an officer of the Corporation and is therefore considered to be a non-independent director. Mr. Myckatyn will not stand for re-election as a Director of the Corporation at the Meeting.

Evgenij Iorich is the independent Non-Executive Chairman of the Board. The independent directors meet without non-independent directors and members of management on an ad hoc basis as necessary to fulfil their duties as independent directors or to assess transactions in which non-independent members or members of management may have an interest. The independent directors hold in camera sessions at each Board meeting.

Certain directors are presently a director of one or more other reporting issuers, as follows:

Name of Director	Corporation	Exchange
Giulio Bonifacio	Timberline Resources	TSXV
Raffaele (Lucio) Genovese	Firestone Diamonds PLC	LSE
Stephen Gill	Kasbah Resources Limited	ASX
Evgenij Iorich	Serinus Energy Peninsula Energy Ltd.	TSX/WSE ASX

There were 12 meetings of the Board during the financial year ended December 31, 2016. Directors' attendance was as follows:

Directors	Meetings Attended
James Askew <sup>(1)</sup>	2
Michael Barton <sup>(2)</sup>	2
Giulio Bonifacio	12
Victor Bradley <sup>(3)</sup>	12
Michael Brown	12
Philip Clegg <sup>(4)</sup>	1
Daniel Dumas <sup>(5)</sup>	6
Raffaele (Lucio) Genovese <sup>(6)</sup>	2
Stephen Gill <sup>(7)</sup>	6
Joseph Giuffre <sup>(8)</sup>	10
Evgenij Iorich <sup>(9)</sup>	7
Paul Matysek <sup>(10)</sup>	9
Bill Myckatyn <sup>(11)</sup>	3

Notes:

- (1) Mr. Askew resigned as a Director of the Corporation on May 26, 2016.
- (2) Mr. Barton resigned as a Director of the Corporation on January 28, 2016.
- (3) Mr. Bradley resigned as a Director of the Corporation on February 24, 2017.
- (4) Mr. Clegg resigned as a Director of the Corporation on January 28, 2016.
- (5) Mr. Dumas resigned as a Director of the Corporation on May 26, 2016.
- (6) Mr. Genovese became a Director of the Corporation on May 27, 2016.
- (7) Mr. Gill became a Director of the Corporation on January 28, 2016.
- (8) Mr. Giuffre resigned as a Director of the Corporation on February 24, 2017.
- (9) Mr. Iorich became a Director of the Corporation on January 28, 2016.
- (10) Mr. Matysek resigned as a Director of the Corporation on February 24, 2017.
- (11) Mr. Myckatyn became a Director of the Corporation on May 27, 2016 and will not stand for re-election at the Meeting.

Additional resolutions were passed during the year ended December 31, 2016 by way of directors' resolutions and consented to in writing.

## Board Mandate

The Board manages and supervises the management of the affairs and business of the Corporation pursuant to the powers vested by the *Business Corporations Act* (British Columbia), the Articles of the Corporation and all other statutory and legal requirements generally applicable to the directors of a business corporation that is also a "reporting issuer" under applicable securities legislation. Management is responsible for the day-to-day operation of the business and affairs of the Corporation. The responsibilities of the directors are as follows:

- (a) Oversee Management of the Corporation. The principal responsibilities of the directors are to oversee the management of the Corporation and, in so doing, serve the best interests of the Corporation on behalf of its Shareholders. These responsibilities require that the directors attend to the following:
- review and approve on a regular basis, and as the need arises, fundamental operating, financial, and other strategic corporate plans which take into account, among other things, the opportunities and risks of the business;
  - evaluate the performance of the Corporation, including the appropriate use of corporate resources;
  - evaluate the performance of, and oversee the progress and development of, senior management and take appropriate action, such as promotion, change in responsibility and termination;
  - implement senior management succession plans;
  - evaluate the Corporation's compensation programs;
  - establish a corporate environment that promotes timely and effective disclosure (including appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with applicable laws and industry and community standards;
  - evaluate the Corporation's systems to identify and manage the risks faced by the Corporation;
  - review and decide upon material transactions and commitments;
  - develop a corporate governance structure that allows and encourages the Board to fulfil its responsibilities;
  - provide assistance to the Corporation's senior management, including guidance on those matters that require Board involvement; and
  - evaluate the overall effectiveness of the Board and its committees.
- (b) Exercise Business Judgment. In discharging their fiduciary duties of care, loyalty and candour, directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Corporation and its Shareholders free from personal interests. In discharging their duties, when appropriate, the directors normally are entitled to rely on the Corporation's senior executives and its outside advisors, auditors and legal counsel but also should consider second opinions where circumstances warrant.
- (c) Understand the Corporation and its Business. Directors are expected to become and remain informed about the Corporation and its business, properties, risks and prospects.
- (d) Establish Effective Systems. Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Corporation. Directors should also provide for periodic reviews of the integrity of the Corporation's internal controls and management information systems.
- (e) Protect Confidentiality and Proprietary Information. Directors are responsible for establishing policies that are intended to protect the Corporation's confidential and proprietary information from unauthorized or inappropriate disclosure. Likewise, all discussions and proceedings of the Board must be treated as strictly confidential and privileged to preserve open discussions between directors and to protect the confidentiality of Board discussions.
- (f) Board, Committee and Shareholder Meetings. Directors are responsible for attending Board meetings and meetings of committees on which they serve. They must devote the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.

## **Position Descriptions**

The Board has not developed a written position for either the Non-Executive Chairman or CEO of the Corporation. The Board believes that the roles and responsibilities have been appropriately communicated through Board meetings and informal communications amongst the Board and management.

## **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation's properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

To enable each director to better perform his or her duties and to recognize and deal appropriately with issues that arise, the Corporation provides the directors with suggestions to undertake continuing director education, the cost of which is borne by the Corporation.

## **Ethical Business Conduct**

The Board has adopted a Code of Business Conduct and Ethics (the "Code") for its directors, officers and employees. The Nominating and Corporate Governance Committee has the responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the Chairman of the Nomination and Governance Committee. A copy of the Code may be accessed under the Corporation's profile at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.nevadacopper.com](http://www.nevadacopper.com).

The Board ensures that directors, officers and employees are familiar with the Code to ensure that they exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest. To encourage and promote a culture of ethical business conduct, the Board has adopted a Whistleblower Policy. This policy is also available on the Corporation's website at [www.nevadacopper.com](http://www.nevadacopper.com).

In accordance with the requirements of the *Business Corporations Act* (British Columbia), directors and officers are required to declare any material interest they may have in any transaction or agreement with the Corporation, and, if a director, to abstain from voting on any director approval of the transaction. The Board has established a Nomination and Governance Committee, whose responsibilities include considering questions of independence and making recommendations to the Board with respect to director independence and conflicts of interest. Where appropriate, the Board will form a committee of the independent directors to consider transactions in which executive officers have an interest, or will be affected differently than other Shareholders.

## **Nomination of Directors**

The Board has a Nomination and Governance Committee consisting of three directors, all of whom are independent directors. The Nomination and Governance Committee is responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, (ii) recommending to the Board the persons to be nominated for election as directors at any meeting of Shareholders and (iii) recommending to the Board persons to be elected by the Board to fill any vacancies on the Board. The Nomination and Governance Committee recommendations will be considered by the

Board but the recommendations are not binding upon it. The Board is currently considering the recomposition of the Nomination and Governance Committee following the resignations of Victor Bradley, Joseph Giuffre and Paul Matysek.

### **Compensation**

The Board has a Compensation Committee as described under the heading “Compensation of Executive Officers – Compensation Discussion and Analysis” in this Information Circular. The Compensation Committee conducts annual reviews of the compensation of the Corporation’s CEO, senior officers and directors and makes recommendations to the Board.

### **Other Board Committees**

Along with the aforementioned Audit Committee, Nomination and Governance Committee and Compensation Committee, the Board also has a Health, Safety, Environment and Technical Committee. The Health, Safety, Environment and Technical Committee consists of three Board members and is responsible for assisting the Board in fulfilling its responsibilities and to review and approve of environmental policies and monitor activities of the Corporation as they relate to environmental matters, review and monitor the activities of the Corporation as they relate to the health and safety of employees of the Corporation in the workplace, and oversight of technical and operational matters.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Board does not consider that formal assessments would be useful at this stage of the Corporation’s development. The Board conducts informal assessments of the Board’s effectiveness, the individual directors and the Audit Committee. As part of the assessments, the Board or the Audit Committee may review its mandate and conduct reviews of applicable corporate policies.

### **Board Retirement Policy and Renewal**

The Corporation does not have any term limits, retirement policies or similar mechanisms in place for forcing the renewal or replacement of its Directors. Each Director serves for a one year term and stands for re-election by Shareholders at the Corporation’s annual general meeting each year. The Board does not have a limit on the number of consecutive terms for which a Director may sit. The Board believes that Board renewal can happen naturally without imposing arbitrary age or term limits. In addition, the Board believes that effective corporate decision-making is enhanced through the continuity, experience and knowledge that come from permitting longer-term service on a Board.

### **Policies Regarding the Representation of Women on the Board**

The Corporation has not adopted a written policy relating to the identification and nomination of women directors. The Corporation is an equal opportunity employer and believes that supporting a diverse workplace is a business essential that helps the Corporation and its Board attract and retain the brightest and most talented individuals in the industry. The Corporation believes that this diversity philosophy is well entrenched and accepted by all of its employees, including its Board, executive officers and employees generally. The Corporation does not believe that a written policy is necessary to further advance the Corporation’s commitment to a diverse workplace.

### **Consideration of the Representation of Women in the Director Identification and Selection Process**

The Board supports the principle of boardroom diversity. The Nomination and Governance Committee considers diversity (including, among other important qualifications, gender, age, geography and nationality) when reviewing qualified candidates for recommendation for election to the Board. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit and against objective criteria, including diversity. When the Nomination and Governance Committee engages in the nomination process, searches for potential nominees are conducted so as to put forward a diverse range of candidates, including women candidates.

### **Consideration Given to the Representation of Women in Executive Officer Appointments**

When identifying candidates for executive officer positions, the Corporation takes a similar approach, considering, among other factors, professional competencies, industry or other relevant experience, education, leadership style and experience, merit and personal attributes, including gender diversity, to build a strong executive team.

### **Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Board has not set specific targets as to the number of women board members, nor has the Board set specific targets as to the number of executive officers who are women. The Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates; rather, selection is based on merit, having regard to the various skills, abilities, qualifications and competencies needed for the particular position, of which diversity is one of several important factors that are considered.

### **Number of Women on the Board and in Executive Officer Positions**

As of the date of this Information Circular, 0% (0 out of 5) of the Corporation's Director nominees are women, and 0% (0 out of 3) of the Corporation's executive team are women.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation which are to any substantial degree performed by a person or Corporation other than the directors or senior officers of the Corporation.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Information Circular and other than transactions carried out in the ordinary course of business of the Corporation or any of its subsidiaries, none of the directors or senior officers of the Corporation, no management nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Approval Of Unallocated Options Pursuant To The Option Plan**

Pursuant to the terms of the Plan, the Corporation may, from time to time and in accordance with applicable regulatory requirements, grant to Eligible Persons stock options to purchase Common Shares equal to up to 10% of the Corporation's issued and outstanding Common Shares at the time of such grants. In accordance with the requirements of the TSX, every three years after institution, all unallocated options, rights and other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable (commonly referred to as a "rolling plan") must be approved by a majority of the issuer's directors and the issuer's securityholders. As the Plan does not have a fixed maximum number of securities issuable thereunder, the Shareholders are required to approve all unallocated options issuable pursuant to the Plan. The last shareholder approval of the Plan expired on December 16, 2016, and therefore all unallocated options under the Plan were cancelled as of that date.

As at March 29, 2017, the Corporation has 88,168,125 Common Shares issued and outstanding. Under the Plan the Corporation is permitted to issue options representing up to 10% of the issued and outstanding shares. Based on the 88,168,125 Common Shares outstanding, this permits the Corporation, subject to receipt of shareholder approval, to issue stock options for the purchase of up to 8,816,812 Common Shares. As at March 29, 2017, the Corporation has outstanding stock options for the purchase of up to 5,953,500 common shares representing 6.7% of the issued and outstanding Common Shares, and, subject to receipt of shareholder approval, there would remain available stock options for the purchase of 2,863,312 Common Shares for future issuance under the Plan.

If the resolution approving all unallocated options under the Plan is not approved by Shareholders at the Meeting, currently outstanding options will continue unaffected, however, the Corporation will not have the ability to grant further stock options under the Plan. Furthermore, currently outstanding options that are subsequently cancelled or terminated will not be available for re-issuance under the Plan. At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution to approve all unallocated options under the Plan (the "Unallocated Options Resolution"). The terms of the Plan are described in this Information Circular. See "Securities Authorized for Issuance Under Equity Compensation Plan".

The Unallocated Options Resolution to be considered by Shareholders at the Meeting is as follows:

#### **BE IT RESOLVED THAT:**

1. All unallocated stock options under the stock option plan (the "Plan") of Nevada Copper Corp. (the "Corporation") are hereby approved and the Corporation has the ability to grant stock options under the Plan until April 28, 2020, being the date that is three years from the date of the Meeting at which this resolution is passed by shareholders of the Corporation; and
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution.

In the absence of contrary instructions, the persons designated in the accompanying form of proxy intend to vote in favour of the Unallocated Options Resolution.

In order to be effective, the Unallocated Options Resolution must be approved by a majority of votes cast at the Meeting.

### **Approval of Conversion Right Under Convertible Loan Facility Amendment**

#### *Background*

Pala Investments Limited (“Pala”) holds approximately 45.7% of the outstanding Common Shares, and is lender to the Corporation pursuant to a convertible loan facility (the “Pala Convertible Facility”), which was approved by the Shareholders at the Corporation’s last shareholder meeting held on May 27, 2016.

On February 24, 2017 (the “Agreement Date”), the Company and Pala entered into an amended and restated loan and security agreement (the “Amended Loan Agreement”) in respect of the Pala Convertible Facility, pursuant to which:

- (a) Pala advanced the Corporation an additional advance of US\$5,000,000 under the Pala Convertible Facility on March 7, 2017 (the “Additional Advance”);
- (b) the Maturity Date of the Pala Convertible Facility, including the Additional Advance, was extended to December 31, 2018, subject to early repayment in certain circumstances;
- (c) the Pala Convertible Facility accrues interest at a rate of 12% per annum, with an increase to 14% per annum during an event of default, which interest is to be paid on maturity;
- (d) any amounts outstanding under the Pala Convertible Facility may be voluntarily prepaid by the Corporation, subject to a prepayment fee (the “Prepayment Fee”) equal to 35% of the prepayment if the prepayment occurs prior to December 31, 2018, which Prepayment Fee shall be applicable on any repayment of the Pala Convertible Facility prior to December 31, 2018;
- (e) all amounts outstanding under the Pala Convertible Facility may be converted at the option of Pala into Common Shares (the “Conversion Right”), at the following conversion prices (the “Conversion Prices”):
  - i. the Additional Advance, including interest thereon and the Prepayment Fee in respect thereof, if any, may be converted at the option of Pala into Common Shares at the Conversion Price per Common Share equal to the lesser of (i) C\$0.90 (which was a 15% premium to the 20-day VWAP of the Common Shares at the Agreement Date) and (ii) 115% of the subscription price of any Common Shares to be issued by the Company in connection with any equity financing that is completed within six months of the Agreement Date; and
  - ii. all other debt outstanding under the Pala Convertible Facility, including principal, interest, and fees, may be converted into Common Shares at the Conversion Price of C\$0.69 per Common Share;



- (f) the Corporation paid to Pala a US\$200,000 arrangement fee in respect of the Additional Advance, and reimbursed the fees and expenses of Pala that were incurred in connection with the Amended Loan Agreement;
- (g) as additional consideration for Pala providing the Additional Advance, the Corporation issued Pala Common Share purchase warrants (the “Pala Warrants”) exercisable for a period of three years after issuance to acquire up to 2,500,000 Common Shares at an exercise price of C\$0.97 per Common Share, being equal to a 25% premium on the average 20-day VWAP closing market price of the Common Shares on the date immediately prior to the Agreement Date; and
- (h) the Conversion Right in respect of the principal amount of, and interest and fees on, the Additional Advance, and any interest accruing on other amounts outstanding under the Pala Convertible Facility during 2018 (collectively, the “New Conversion Right”) is subject to receipt of the approval of the disinterested shareholders of the Corporation.

The Corporation used the Pala Additional Advance to pay a lump-sum advance interest payment to its senior secured lender (“Red Kite”) in connection with an amendment to the Company’s senior secured credit facility (the “Red Kite Senior Facility”) , which provided for, among other things:

- (a) the accrual of interest under the Red Kite Senior Facility that would otherwise have been payable from July through December 2017;
- (b) the accrual of 50% of the interest payments under the Red Kite Senior Facility that otherwise would have been payable in full from January to December 2018; and
- (c) the extension of the deadlines for the fulfillment of certain conditions precedent to further drawdowns under the Red Kite Senior Facility to December 31, 2018.

The amendment of the Pala Convertible Facility on the terms of the Amended Loan Agreement was a condition precedent to the above-noted amendments to the Red Kite Senior Facility.

*Effect of New Conversion Right on Pala Share Position*

Pala currently holds 40,289,141 Common Shares, representing approximately 45.7% of the 88,168,125 currently-outstanding Common Shares.

Assuming an exchange rate of C\$1.3095 for each US\$1.00 (the exchange rate on the Agreement Date, as published by the Bank of Canada), and assuming that the Corporation does not complete an additional equity financing within the six months following the Agreement Date:

- (a) the principal amount of the Additional Advance would be convertible into 7,275,000 Common Shares;
- (b) interest accruing on the Additional Advance from the date of the Additional Advance until December 31, 2018 would be convertible into 1,765,075 Common Shares (assuming the capitalization of all interest accrued); and
- (c) interest accruing on the Pala Convertible Facility, excluding the Additional Advance, from January 10, 2018 to December 31, 2018 (the “Extension Period”) would be convertible into 7,671,336 Common Shares (assuming the capitalization of all interest accrued);

representing, in aggregate, 16,711,411 Common Shares (the “New Conversion Right Shares”), equal to 19.0% of the Common Shares outstanding as of the date of this Information Circular. Assuming the issuance of all such shares, Pala’s aggregate share position would increase to 57,000,552 Common Shares, representing 54.35% of all outstanding Common Shares after giving effect to such issuance.

Additionally, if the Pala Convertible Facility were repaid prior to December 31, 2018, the Prepayment Fee in respect of the principal amount of the Additional Advance would be convertible into 2,546,250 Common Shares.

In the event that the Corporation completes an equity offering within six months of the Agreement Date, the Conversion Price in relation to the Additional Advance will be reduced to an amount equal to 115% of the price per Common Share of such equity offering if lower than the current Conversion Price. In the event that the Conversion Price were to be reduced to C\$0.72 by the foregoing adjustment mechanism, representing a 20% decrease, the aggregate number of New Conversion Right Shares would be 18,971,430 Common Shares, an increase of 2,260,019 Common Shares.

Because the Pala Convertible Facility is denominated in U.S. dollars and the Conversion Prices are denominated in Canadian dollars, changes in the U.S. dollar to Canadian dollar exchange rate will affect the number of Common Shares issuable upon the conversion of amounts outstanding under the Pala Convertible Facility. If the U.S. dollar on the date of conversion equals C\$1.5714 (representing a 20% increase in the value of the U.S. dollar from the Agreement Date), and there is no adjustment of the Conversion Price due to a subsequent equity financing of the Corporation, the aggregate number of New Conversion Right Shares would be 20,053,693 Common Shares, representing an increase of 3,342,282 Common Shares. If the U.S. dollar on the date of conversion equals C\$1.0476 (representing a 20% decrease in the value of the U.S. dollar on the Agreement Date), and there is no adjustment of the Conversion Price due to a subsequent equity financing of the Corporation, the aggregate number of New Conversion Right Shares would be 13,369,129 Common Shares, representing a decrease of 3,342,282 Common Shares.

For greater certainty, the foregoing calculations regarding the potential number of Common Shares issuable pursuant to the New Conversion Right do not include any Common Shares issuable under the original terms of the Pala Convertible Facility prior to the addition of the New Conversion Right. For further information on the potential number of Common Shares issuable pursuant to the Pala Convertible Facility prior to the New Conversion Right, please see the Corporation’s information circular dated April 27, 2016, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Board Approval*

The term sheet in respect of the Amended Loan Agreement was initially considered at a meeting of members of the Board who are independent of Pala, who unanimously recommended that the Corporation proceed with the amendment after having considered the anticipated effects of the proposed amendment on the Corporation and its various stakeholders and having determined that the proposed amendment was in the best interests of the Corporation. The Board subsequently approved the Amended Loan Agreement and the definitive transaction documents related thereto by a unanimous consent resolution, with Michael Brown, Stephen Gill and Evgenij Iorich abstaining after declaring pursuant to applicable corporate laws that they have an interest in the Pala Convertible Facility by virtue of the fact that they are employed by and/or hold interests in affiliates of Pala.

### *Multilateral Instrument 61-101*

Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, and in certain circumstances independent valuations, in respect of such transaction. MI 61-101 provides that, where an issuer proposes to enter into a “related party transaction” with a “related party” (each as defined in MI 61-101) of the issuer, in addition to any other required securityholder approval, the issuer must not complete the related party transaction unless the issuer has obtained the approval of a simple majority of the votes cast by “minority” shareholders of each class of affected securities, voting separately as a class, unless an exemption from such minority securityholder approval is available pursuant to the terms of MI 61-101. “Minority” shareholders means any shareholders other than the issuer itself, any interested party in respect of the related party transaction, and any related party of an interested party, and any joint actor with such interested party or related party. MI 61-101 may also apply certain formal valuation requirements in respect of related party transactions.

For the purposes of MI 61-101, Pala constitutes a “related party” of the Corporation, and the Amended Loan Agreement constitutes a “related party transaction”. An exemption from the shareholder approval and formal valuation requirements under MI 61-101 is available, due to the financial hardship of the Corporation, and the fulfillment of the conditions set out in paragraph 5.5(g) of MI 61-101.

### *Shareholder Approval Requirement*

Under TSX policies, the New Conversion Right is subject to a minority shareholder approval requirement because (i) the exercise of the New Conversion Right may result in the issuance of more than 10% of the number of currently outstanding Common Shares to Pala, an insider of the Corporation, and (ii) the interest accruing on the Pala Convertible Facility during the Extension Period will be convertible into Common Shares at the Conversion Prices, which may constitute a discount to the then-prevailing market price in excess of the amount permitted pursuant to TSX policies. Under TSX policies, votes attached to Common Shares which Pala beneficially owns, or over which Pala exercises control or direction, will be excluded in determining whether such minority approval has been obtained.

In connection with the Amended Loan Agreement, Giulio Bonifacio, the President, Chief Executive Officer and a director of the Corporation, who beneficially owns or directly or indirectly controls an aggregate of 5,850,000 Common Shares, has entered into a voting and support agreement with the Corporation and Pala, pursuant to which he has agreed to vote his Common Shares in favour of the approval of the New Conversion Right.

Accordingly, management of the Corporation would like the minority shareholders of the Corporation to approve the New Conversion Right by approving the following ordinary resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the issuance of Common Shares upon the exercise of the New Conversion Right, on the terms set out in the Information Circular in respect of the Meeting, is hereby authorized and approved; and
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the

opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution.”

### **Approval of Shares for Debt Transaction to Settle DSU Liabilities**

The Board adopted the DSU Plan, which is a cash-settled-only deferred share unit plan, on September 19, 2013 for the purpose of providing Participants under the DSU Plan, who are non-executive directors of the Corporation, with the opportunity to participate in the long term success of the Corporation and to promote a greater alignment of interests between the directors of the Corporation and the Shareholders. Following the discontinuation of cash directors’ fees as a cost-cutting initiative in July 2015, the DSU Plan has been the sole source of director compensation. The DSU Plan was subsequently amended and replaced on March 25, 2014 and February 10, 2017. The DSUs, or deferred share units, issued to a Participant under the DSU Plan vest on the date of grant and, prior to February 10, 2017 were to be paid out in a lump sum cash payment to the Participant following termination of board service in an amount equal to the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the payout date, which was 120 days after the Participant ceases to be a director of the Corporation. Subsequent to the February 10, 2017 amendment, DSUs are to be paid out the day following the date a Participant ceases to be a director of the Corporation.

Subsequent to the adoption of the DSU Plan, eight Participants (collectively, the “Former Directors”) have ceased to act as directors of the Corporation, resulting in liabilities owing by the Corporation to the Former Directors pursuant to the DSU Plan in the aggregate amount of \$1,139,697 (the “Accrued DSU Liabilities”). Due to the financial circumstances of the Corporation, the Accrued DSU Liabilities have not been paid to the Former Directors, and have been accrued as outstanding debts of the Corporation. Additionally, Bill Myckatyn is not standing for re-election as a director of the Corporation, so it is anticipated that Mr. Myckatyn will cease to be a director as of the date of the Meeting, resulting in an additional payment obligation of the Corporation pursuant to the DSU Plan in an amount that will be determined on the day following the date that Mr. Myckatyn ceases to be a director of the Corporation (collectively with the Accrued DSU Liabilities, the “DSU Liabilities”).

The Corporation plans to enter into debt settlement transactions with the Former Directors and Mr. Myckatyn pursuant to which it will settle the DSU Liabilities in consideration for the issuance of an aggregate of up to 1,760,000 Common Shares (representing approximately 2.0% of the number of outstanding Common Shares as of the date of this Information Circular) at a deemed price of \$0.75 per Common Share, which is a premium to the market price of the Common Shares as of the date of this Information Circular. The issuance of the Common Shares in settlement of the DSU Liabilities will be subject to the Corporation entering into binding debt settlement agreements with the Former Directors and Mr. Myckatyn.

Accordingly, management of the Corporation would like the Shareholders to approve the issuance of Common Shares in settlement of the DSU Liabilities by passing a resolution in the following form:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the issuance of up to 1,760,000 Common Shares at a deemed price of Cdn.\$0.75 per Common Share in settlement of outstanding liabilities pursuant to the Corporation’s deferred share unit plan dated September 19, 2013, as amended on March 25, 2014 and February 10, 2017, be approved; and

2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution.”

In the absence of contrary instructions, the persons designated in the accompanying form of proxy intend to vote in favour of the foregoing resolution.

In order to be effective, the foregoing resolution must be approved by a majority of votes cast at the Meeting, excluding any votes in respect of Common Shares held by the Former Directors and Mr. Myckatyn.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporate Secretary of the Corporation at Suite 1238, 200 Granville Street, Vancouver, British Columbia, V6C 1S4, telephone number: 604-683-8992 or fax number 604-681-0122 to request copies of the Corporation’s financial statements and management discussion and analysis.

Financial information for the Corporation is provided in the Corporation’s comparative audited financial statements and management’s discussion and analysis for the financial year ended December 31, 2016 which is contained in the Corporation’s Annual Report.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to Shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, March 29, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Giulio T. Bonifacio*” (signed)

**Giulio T. Bonifacio**  
**President & CEO**